Future Directions in Climate Change Policy: Cost Effective Strategies for North Carolina, the U.S. and the World

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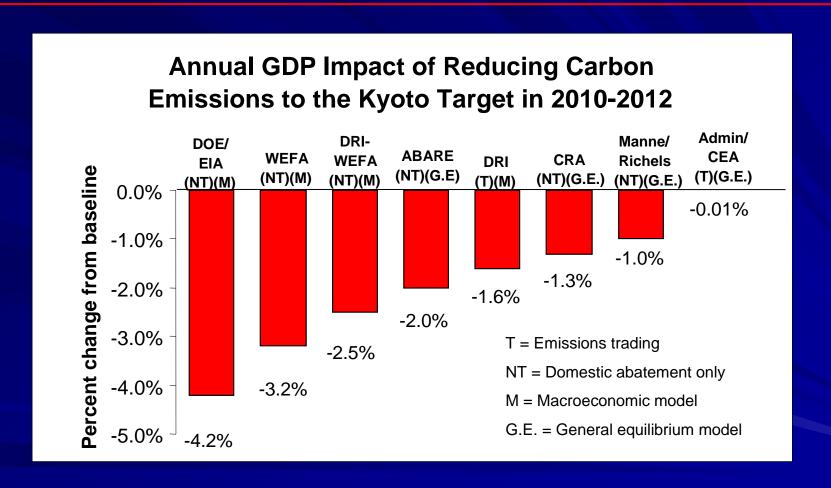
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Impact of the Kyoto Protocol on the U.S. Economy: Various Model Estimates



Source: Testimony by Margo Thorning for California Climate Summit, April 11, 2006

Impact of the New England Governors / East Canadian Premier's Agreement on Eleven Northeast States

■ Energy Prices Rise - Household electricity - Gasoline - Natural gas for industry	2010 35% 39% 111%	2020 39% 44% 119%
■ Job Losses	192,000	218,000
■ Household Income Falls	\$2,600	\$3,000

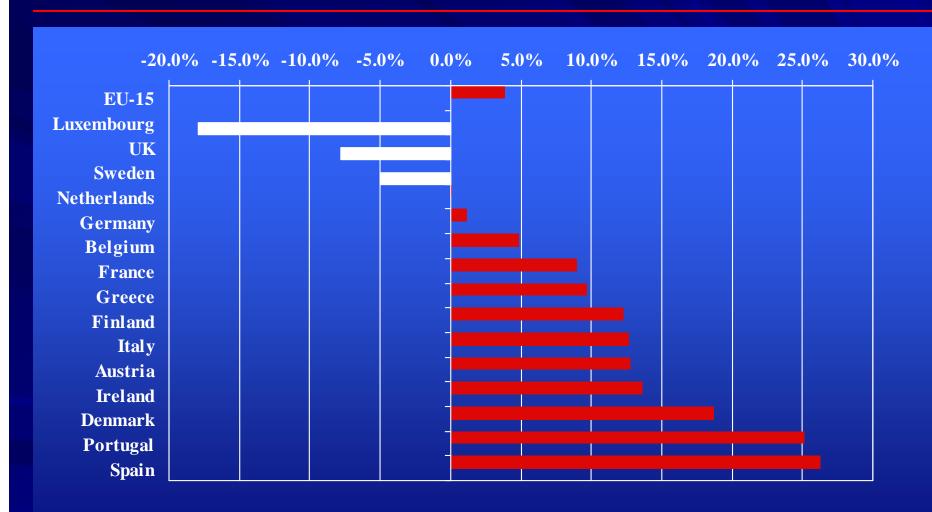
- State and Federal Tax receipts decline by \$29 billion.
- Low income and elderly bear large burden

Economic Impact of McCain / Lieberman and the Bingaman Proposal on the United States

	2010		2020	
	McCain/ Lieberman	Bingaman	McCain/ Lieberman	Bingaman
GDP Falls	-1.0	-0.2	-1.9	-0.4
Job Losses	-840,000	-230,000	-1,306,000	-326,000
Household Consumptio n Falls	-\$725	-\$147	-\$800	-\$164

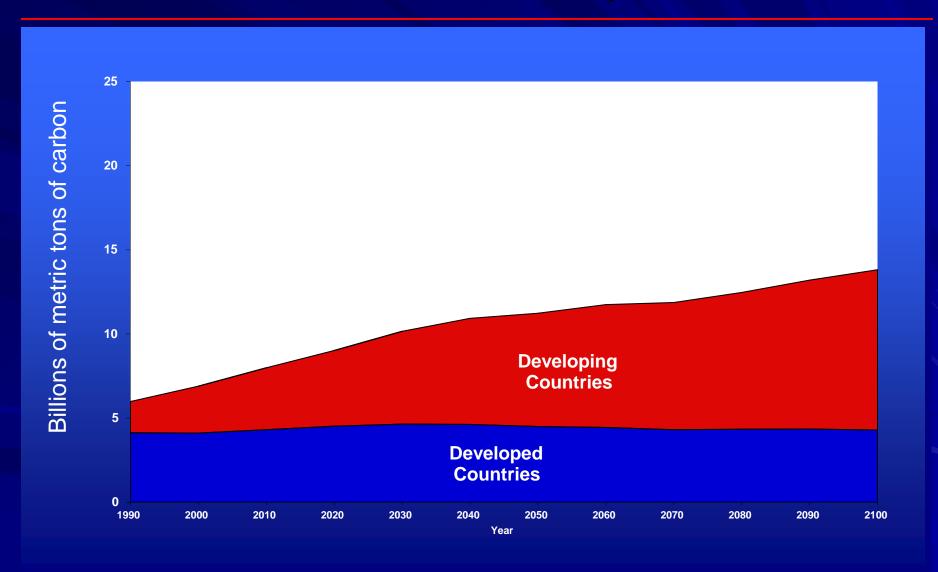
- •State and Federal Tax receipts Decline
- Low Income and Elderly Bear Large Burden Due to Higher Energy Costs

Greenhouse Gas Emissions in the European Union Projected to Exceed Kyoto Targets in 2010

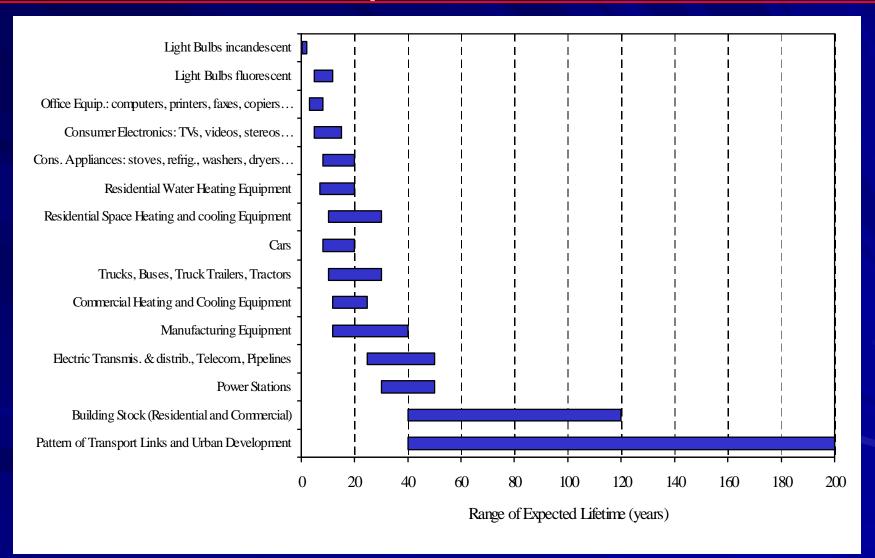


Source: European Environmental Agency, November 29, 2005

Developed and Developing Countries Carbon Emissions Projections

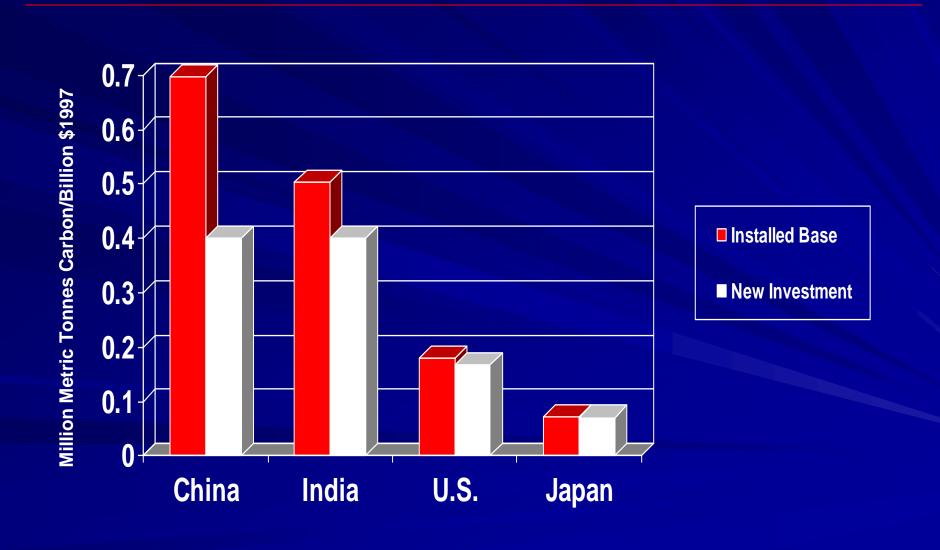


Average Life Spans for Selected Energy-Related Capital Stock

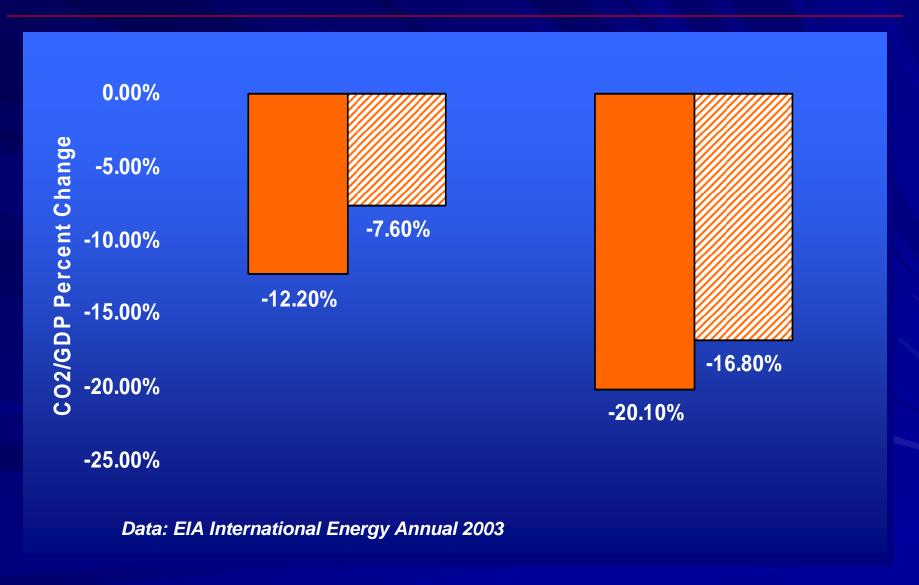


Impact of New Technologies on Carbon Emissions

(Greenhouse Gas Emissions Per Dollar Output)



Comparison of EU and US Energy Intensity Reduction 1991-2003



Practical Strategies to Address Economic Growth and Climate Change Policy

- Use cost / benefit analysis before adopting policies
- Reform U.S. tax code to accelerate depreciation allowances
- Remove barriers to developing world's access to more energy and cleaner technology by promoting economic freedom and market reforms
- Increase R&D for new technologies to reduce energy intensity
- Develop sequestration through both natural and man-made technologies
- Promote nuclear power for electricity
- Expand bilateral cooperation with developing countries
- Promote a truly global solution such as the new Asia Pacific Partnership on Development with its focus on economic growth and technology transfer